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AT&T

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September 15, 1998

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
1919 M Street, NW, Room 222
Washington, D.C. 20554

RECEIVED

SEP 15 1998

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

RE: Ex Parte Meeting
Second Application by BellSouth Telecommunications, Inc. and BellSouth
Long Distance, Inc. for Provisioning of In-Region, interLATA Service in
Louisiana, CC Docket No. 98-121

Dear Ms. Roman Salas:

On Monday September 14, 1998, Len Cali, Betsy Brady, Steve Garavito, and I of AT&T and Mark Haddad of Sidley & Austin met with Kathryn C. Brown, Chief of the Common Carrier Bureau, Yog Varma, Deputy Chief of the Common Carrier Bureau, and Claudia Pabo of the Common Carrier Bureau's Policy and Program Planning Division. The purpose of this meeting was to discuss the comments filed by AT&T in the aforementioned proceeding. Attached is a copy of the outline of the presentation, a videotape, and a transcript of that videotape, all distributed during the meeting.

Two copies of this Notice are being submitted on the following business day to the secretary of the FCC in accordance with Section 1.1206(a)(2) of the Commission's rules.

Sincerely,

Attachments

cc: K. Brown
C. Pabo

Y. Varma

No. of Copies rec'd
List ABCDE

021

WSB TV2, Tuesday, July 28, 1998, 5 P.M.

Re: Clark Howard's Report On Switching From BellSouth To MGC

Anchor: Monica Kaufman:

Nothing drives down price like a little competition, for example, these days we pay a lot less for long distance because we have dozens of companies to choose from and now the same thing is about to happen with local phone service, but the competition may cost you, some convenience. Consumer advisor Clark Howard joins us live to explain, Clark.

Reporter: Clark Howard

Monica, a couple of weeks ago I talked about MGC, a new competitor to BellSouth and metro Atlanta and, at the time I was talking about what great deal it is, but so far a lot of Georgians have had a great deal of trouble trying to switch from BellSouth to MGC, as you'll see in my consumer report.

Carl Faso's a no nonsense kind of guy, so when he heard BellSouth was getting a run for its money, he called their new competitor MGC and agreed to give them a try.

Consumer: Carl Faso's

I like the fact that there's ugh competition involved, ugh I hate Big business personally, and ugh and if it makes it any less expensive for me the better.

Reporter: Clark Howard

Carl says he couldn't wait to pay just fifteen a month for residential service, nearly two dollars less than BellSouth's lowest price. But when the day finally came for his line to be switched, Carl thinks his order must have fallen in a hole.

Consumer: Carl Faso

...and there there was a week went by, week and a half went by and I'm still ugh, twiddling my thumbs, I said something's wrong some place here.

Reporter: Clark Howard

Carl's not alone, in fact we've had lots of complaints that have come in here to our volunteers in the consumer action center from folks who've been totally frustrated trying to convert from BellSouth to MGC.

Tom Hamby, Vice President:

...Well, first of all that should not happen.

Reporter: Clark Howard

Tom Hamby is BellSouth's Vice President of Regional Affairs. He's showed us the actual processing center where dozens of BellSouth's customers are being switched to other carriers everyday. He says neither BellSouth nor MGC are dragging their feet, but the change over process still has some bugs.

Tom Hamby, Vice President:

...It's sort of like taking a 747 apart in flight. We're tearing things apart putting it back together differently. But we've all got to get up to speed, with our own employees, with the CLEC or the competitor carrier employees, so that we all do the correct things to make it happen.

Reporter: Clark Howard

BellSouth tells me that by the end of the year all this should work just fine, but right now about one in four, twenty-five percent of people converting are have a problem with the delay at conversion. Now my advice, if you don't like being a pioneer, wait awhile for them to get the bugs worked out. But I'm a pioneering type, so I'm switching over next week. I'll be able to share with how my cut over works out verses what we've been hearing from other folks whose been calling us at the consumer action center. I'm Clark Howard reporting live from the studio of News Talk 750 WSB.

Anchor: Monica Kaufman

And don't forget Clark, your name carries a lot of weight, so you may get different service.

Reporter: Clark Howard

...Ahh Monica, I have a secret way that they don't know it's me.

Anchor: Monica Kaufman

We'll see

BellSouth Louisiana's Second Section 271 Application

September 14, 1998



BellSouth Policies Have Inhibited Local Competition

- No Meaningful Opportunity for UNE-Based Entry
 - Initially, blanketly refused to provide UNE combinations.
 - Now, requires collocation to obtain UNE combinations.
 - Continuing inability to provide unbundled switching.
 - Discriminatory access to embedded intellectual property.
- Obstacles to Facilities-Based Entry
 - Interconnection, number portability and directory listing difficulties.



BellSouth Policies Have Inhibited Local Competition

- Obstacles to Resale-Based Entry
 - Until recently, refused to provide contracts at wholesale discount and still prohibits aggregation and imposes other unlawful restrictions.
- OSS Obstacles Which Apply to All Entry Methods
 - Refusal to cooperatively design/implement changes to OSS interfaces and to provide information and upgrades needed for non-discriminatory access.



BellSouth's Collocation Requirement Is Discriminatory And Precludes Meaningful Competition

- BellSouth is required to provide access to UNEs at any technically feasible point, not a single point of BellSouth's choosing.
- Requiring manual recombination of elements creates prohibitive barriers to entry and will gate commercial entry.
- In all events, the terms and conditions of BellSouth's collocation proposal are incomplete and non-binding.



BellSouth's Collocation Requirement Is Discriminatory And Precludes Meaningful Competition

- Collocation Requires That Customers Lose Service.
- Collocation Introduces Unacceptable Risks of Degraded Service Due to Human Error.
- Delays In Obtaining Collocation Space Will Deter Mass Market Entry By Competitors.
- Collocation's Purely Manual Processes Will Limit Number of Customer Cutovers.
- Collocation Will Redline Customers Provisioned by BellSouth Via IDLC or Remote Switching Equipment.



BellSouth Limits Access to UNEs With Embedded Intellectual Property

- Shifting Burden to CLECs to Negotiate IP Rights With ILEC-Selected Vendors Is Discriminatory.
 - Forces rivals to pay higher, duplicative costs.
 - Increases uncertainty and delay.



OSS Deficiencies

- BellSouth Has Still Not “Fixed” Numerous OSS Problems Previously Identified By the Commission
 - Inadequate flow-through.
 - No electronic service jeopardy notices.
 - Manually generated, delayed rejection notices.
 - No calculated due dates.
- Additional OSS Problems Persist.
 - Still No Up-To-Date, Complete Business Rules
 - Inadequate Change Management Procedure



OSS Deficiencies

- Internal Testing Is Inadequate

- Untested by Reasonable Commercial Usage
- Even Limited commercial usage reveals discriminating access
- BellSouth's checklist noncompliance blocks mass-market entry
- BellSouth's internal testing was limited, undocumented, and unsupervised



In Addition, New Problems Have Arisen

- When AT&T Entered Market With AT&T Digital Link Service In June 1998
 - Unable to Place Orders to Port Numbers for Partial Migrations.
 - Unable to Obtain Complex Directory Listings
 - Unable to Place Disconnect Orders.
 - BS Unable to Process Orders Using AT&T-Assigned Telephone Numbers.
 - Unable Properly to Implement Routing for AT&T Customers



BellSouth Does Not Provide Even The Performance Data Contained In Its Plan

- BellSouth has not yet provided data for many measurements:
 - Average Time to Return Completion Notices
 - Average Time to Return Jeopardy Notices
 - Percentage of Orders Given Jeopardy Notices
 - Number of Service Requests per Order
 - Average Time for Coordinated Customer Conversions
 - Unbundled Network Element Combinations Measurements
 - Collocation Measurements
 - Provisioning Order Accuracy
 - Pre-Ordering Response Times (EC-Lite Interface, Rejections for all interfaces)

"Commercially Reasonable"
points

Performance measurement docket
LCU & Proposal

AT&T

AT&T's position

BellSouth Refuses To Provide Comparative Data Necessary to Demonstrate Parity

- BellSouth will not provide comparative data for many measurements:
 - Average Time to Return Completion Notices
 - Average Time to Return Jeopardy Notices
 - Percentage of Orders Given Jeopardy Notices
 - Firm Order Confirmation Timeliness
 - Timeliness of Order Rejections
 - Percent Rejected Service Requests
 - Average Time for Coordinated Customer Conversions
 - Unbundled Network Element Measurements
 - Unbundled Network Element Combinations Measurements
 - Collocation Measurements
 - Provisioning Order Accuracy



BellSouth's Data Shows Discrimination

- For many measurements, BellSouth's performance for CLECs was substantially worse than for its own operations.
 - Pre-Ordering Response Time
 - Firm Order Confirmation Timeliness
 - Timeliness of Order Rejections
 - Percent Order Flow Through
 - Speed of Answer in Ordering Center
 - Average Order Completion Intervals
 - Billing Usage Record Timeliness
 - Percent Missed Installation Appointments
 - Percent Installation Troubles Within 30 Days
 - Provisioning Order Accuracy
 - Percent Out of Service Over 24 Hours



BellSouth's Proposed Measurement Plan is Inadequate

- La.PSC recently acknowledged that BellSouth's proposed measures have important shortcomings.
- BellSouth's measurements are not defined properly.
- BellSouth's measurements are not sufficiently disaggregated.
- BellSouth has not presented any methodology for determining when differences between its level of performance for CLECs and for itself represent nondiscriminatory performance. Nor has BellSouth provided the information that would enable others to make that determination in a statistically correct manner.
- BellSouth's performance measurement plan contains no provision for ongoing compliance enforcement.



BellSouth Has Not Demonstrated Compliance With Section 272

- Has not adequately disclosed affiliate transactions
- Has provided preferential treatment to BSLD.
 - Term of collocation agreement.
- Proposed joint marketing conflicts with equal access obligations.
- Sharing of BOC customer information conflicts with Section 272.

